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7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 FOR THE COUNTY OF RIVERSIDE

9 JENNIFER BEAUDET, RONALD BEAUDET,
10 NICK RIPOLY, MICHELLE RIPOLY, JOHN
DALLAH, and SHARON DALLAH,
11 individually, on behalf of all others similarly
situated, and in the public interest,

12 Plaintiffs,

13 vs.
14

15 WESTERN PACIFIC HOUSING - NORCO
ESTATES, LLC, a Limited Liability Company;
16 LAMCO HOUSING, INC., a Corporation;
17 SCHULER HOMES, INC., a Corporation; and
DOES 1 through 100, inclusive,

18 Defendants.
19

Case No. 369796
(Honorable Edward Webster, Dept. 5)
JAMS Reference No. 1200031905
Judicial Referee: Hon. Edward J. Wallin (Ret.)

**DECLARATION OF ANTHONY LANZA
IN SUPPORT OF:**

**(i) JOINT MOTION FOR FINAL
APPROVAL OF SETTLEMENT; and**

**(ii) PLAINTIFFS' MOTION FOR
APPROVAL OF ATTORNEYS' FEES;
REIMBURSEMENT OF ACTUAL
EXPENSES; and AWARD OF CLASS
REPRESENTATIVE COMPENSATION**

20
21 Date: November 20, 2006
22 Time: 9:00:00 a.m.
23 Place: JAMS

24 Date Action Filed: January 15, 2002
25 Trial Date before JAMS: Vacated
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1 I, Anthony Lanza, declare as follows:

2 1. I am an attorney at law and a founding member with the firm Lanza & Goolsby, a
3 Professional Law Corporation, one of counsel of record for the named Plaintiffs herein and
4 appointed by the Referee as one of Class counsel. I am intimately familiar with this action and
5 would and could competently testify in a court of law to the facts stated below. I submit this
6 declaration in support of two motions: (i) the parties' joint motion for final approval of the
7 proposed settlement; and (ii) plaintiffs' motion for approval of attorneys' fees, reimbursement of
8 actual expenses, and award of class representative compensation.

9 **I. OVERVIEW**

10 2. I have been involved in almost all stages of this litigation and am intimately
11 familiar with (i) Plaintiffs' claims, evidence, and legal arguments, and (ii) those of Defendants'
12 defenses, evidence, and legal arguments that Defendants have disclosed to date.

13 3. The parties, through counsel, reached the proposed settlement in this matter almost
14 on the eve of the bifurcated trial of Plaintiffs' UCL claims. At that point, the parties had
15 completed the discovery necessary for the upcoming trial. Each side had already submitted its
16 trial brief, and the parties were in the process of final preparations for trial – e.g., working on a
17 joint exhibit list and each side's objections to exhibits that the other might introduce.

18 4. Settlement negotiations in this matter commenced long ago under the auspices of
19 mediator Judge John Leo Wagner (ret.). The final negotiations that led to the Settlement
20 Agreement were done independently of Judge Wagner.

21 5. I am personally familiar with nearly all settlement negotiations conducted herein.
22 In most cases, those negotiations took place by conference calls with defendants' counsel in
23 which I participated or via correspondence or emails that I sent or received or received a "cc" or
24 "bcc" containing proposals and counters to those proposals.

25 6. It is my observation that such negotiations were conducted seriously and
26 professionally. At all times through the negotiations, counsel for the two sides maintained an
27 arms'-length and adversarial stance. There was no collusion.

28 7. Taking into account the strengths and weaknesses of Plaintiffs' and Defendants'

1 respective positions, evidence, and legal arguments, and considering the risks and expenses
2 associated with going forward through trial and probable appeal, it is my professional opinion that
3 the proposed settlement reflected in the Settlement Agreement is fair, adequate, and reasonable to
4 the Class.

5 8. Similarly, in my professional opinion the amounts that plaintiffs request that the
6 Referee approve as attorneys' fees; for reimbursement of third-party expenses that counsel
7 advanced; and for class representative compensation are all reasonable under the circumstances.

8 **II. FAIRNESS OF SETTLEMENT**

9 9. California has a well-established and strong policy in favor of the settlement of
10 litigation. *Stambaugh v. Superior Court* (1976) 62 Cal.App.3d 231, 235-36 (it is a "strong policy
11 our law ... that settlement of litigation should be encouraged"; "[t]he law wisely favors
12 settlements"). Settlement is particularly favored in class actions, given the costs and uncertainties
13 inherent in complex litigation. *7-Eleven Owners For Fair Franchising v. Southland Corp.* (2000)
14 85 Cal.App.4th 1135, 1151 ("this is especially true in complex class action litigation").

15 10. In approving a class settlement, the Referee must "scrutinize the proposed
16 settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is
17 not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that
18 the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." *See Wershba*
19 *v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245 (internal quotation marks omitted),
20 *review denied*, 2001 Cal. Lexis 8019. Toward this end, the Referee may weigh and balance
21 various non-exclusive factors listed in the case law. *Id.* ("the strength of plaintiffs' case, the risk,
22 expense, complexity and likely duration of further litigation, the risk of maintaining class action
23 status through trial, the amount offered in settlement, the extent of discovery completed and the
24 stage of the proceedings, the experience and views of counsel, ... and the reaction of the class
25 members to the proposed settlement").

26 11. "A presumption of fairness exists where: (1) the settlement is reached through
27 arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the
28 court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of

1 objectors is small.” *Id.* (internal quotation marks omitted). Further, “[c]omprise is inherent and
2 necessary in the settlement process.” *Id.* at 250.

3 **A. Strengths and weaknesses of plaintiffs’ case**

4 12. The Referee, after years of ruling on the parties’ motions, is familiar with the
5 parties’ contentions, defenses, and factual and legal theories in this matter. In briefest summary,
6 plaintiffs claimed defendants are liable for inadequate disclosure concerning, *inter alia*, Wyle
7 Laboratories and the former Norco Battery site; and plaintiffs contend they overpaid for their
8 homes as a result. Defendants have denied any liability for such alleged inadequate disclosures
9 and have denied that plaintiffs suffered any harm. There has been no trial, and with limited
10 exceptions the Referee has not adjudicated plaintiffs’ claims on the merits.

11 13. With respect to “liability” issues, plaintiffs have some evidence that Western
12 Pacific knew more about Wyle Labs than the developer disclosed to its homebuyers and, further,
13 the disclosure that Western Pacific did make concerning Wyle Labs was deceptively innocuous.
14 Similarly, plaintiffs have some evidence that Western Pacific knew about Norco Battery, which
15 the developer did not mention in its standardized form disclosure statement.

16 14. Plaintiffs’ evidence, though, was far from uncontroverted. Western Pacific’s
17 principal defenses on “liability” issues appear to be as follows: Western Pacific was entitled to
18 rely on a report of a firm that it hired to prepare an environmental impact report, which report
19 (a) mentioned Wyle Labs but assigned minimal significance or materiality to it and (b) mentioned
20 Norco Battery to an even lesser extent. Western Pacific contends that, upon reading that report, it
21 was under no further duty to investigate and/or disclose any more than it did. Further, Western
22 Pacific has argued that, as a matter of law, it was under no duty to disclose.

23 15. One weakness of plaintiffs’ “liability” case was the absence of smoking-gun
24 evidence in the form of testimony from a Western Pacific witness that s/he knew all about what
25 Wyle Labs did and deliberately decided to conceal that information from homebuyers to increase
26 Western Pacific’s sales. Even absent such smoking-gun evidence, under the circumstances I
27 believe that plaintiffs would have a better-than-50% chance of prevailing on their UCL claims
28 (unfair or deceptive practices) if this case were to go to trial. I am aware, though, that the trier of

1 fact – i.e., the Referee – would weigh the competing evidence, inferences, and arguments, and
2 could easily find in favor of defendants.

3 16. On the issue of plaintiffs’ “remedies” or “damages,” which in this case includes the
4 concept of restitution, plaintiffs’ appraisal expert was prepared to testify that the Hidden Valley
5 homebuyers (i.e., the Class) paid more for their homes than they were worth had Western Pacific
6 given proper disclosures. As there was no market in 2000-2001 for Hidden Valley homes *with*
7 proper disclosures, plaintiffs’ appraisal expert relied on methods for reaching his conclusions
8 other than the usual comparison method of appraisal. While the use of innovative approaches to
9 valuation was required, such approaches naturally lend themselves to criticism on the basis of
10 speculation, among other things.

11 17. Defendants, in turn, also had an appraisal expert. Defendants’ appraisal expert was
12 prepared to testify that the homebuyers paid exactly what the Hidden Valley homes were worth in
13 2000-2001, and had developed sophisticated comparative analysis using other housing
14 developments to support his views. He was also prepared to criticize the various methodologies
15 used by plaintiffs’ appraisal expert.

16 18. In my opinion, plaintiffs’ evidence of “damage” or harm was not as strong as their
17 evidence on the issue of “liability.” It is quite possible that, if this case had gone to trial, the fact-
18 finder – i.e., the Referee – might have been more persuaded by Western Pacific’s damage
19 evidence and expert than by plaintiffs’ damage evidence and expert, which could have resulted in
20 plaintiffs obtaining little or no recovery even if plaintiffs had established defendant’s liability.
21 Establishing Western Pacific’s liability but recovering nothing for plaintiffs and the class would
22 have been no victory at all after several years of litigation.

23 19. Another possible outcome plaintiffs faced involved establishing Western Pacific’s
24 liability but obtaining only a token or nominal amount of restitution. The market value of homes
25 in Hidden Valley (and, for the most part, all of southern California) have risen dramatically since
26 2000-2001, resulting in a substantial increase in value for each Class member. although after-the-
27 fact circumstances do not normally factor into a remedies analysis, the Referee, sitting as a court
28 of equity on plaintiffs’ UCL claim, may be entitled to consider all of the equities of the situation,

1 including the fact that the homes have substantially increased in value since they were purchased.

2 20. A further difficulty that plaintiffs faced was the potential of collection problems
3 against the selling company, Western Pacific Homes – Norco Estates, LLC, if we were unable to
4 establish the liability of its parent company.

5 21. It is my opinion that the relative strengths and weaknesses of plaintiffs’ case
6 strongly favors approval of the settlement.

7 **B. Risks, expense, and likely duration of further proceedings**

8 22. Another factor favoring settlement was avoiding the inherent risks and
9 uncertainties associated with a lengthy trial on the merits, the substantial costs associated with
10 such an endeavor (particularly in this case where the parties were required to pay for all of the
11 Referee’s time), and the lengthy and time-consuming appeals that likely would have resulted
12 regardless of who prevailed. It is evident, based on the parties’ joint motion for preliminary
13 approval, that defendants also decided to avoid such risks and expenses. (The risks of trial are
14 discussed above in the section concerning the strengths and weaknesses of plaintiffs’ case.)

15 23. Pursuit of this matter through trial, a judgment, and all appeals would also have
16 entailed substantial additional out-of-pocket expenses in an already very expensive case. Much of
17 these expenses would have been in the “expert witness” category. Plaintiffs’ experts and
18 plaintiffs’ counsel would have to spend considerable time together preparing for the experts’
19 testimony; the experts would have to spend time at trial listening to and absorbing the turn of
20 events, giving direct testimony, giving testimony on cross-examination, and listening to
21 defendants’ experts testify and possibly rebutting them. Other significant expenses would include
22 daily trial transcripts. If the exact same settlement proposal were to arise at the end of trial but
23 before a verdict, trial expenses would likely eat up a significant portion of the net amount
24 available for distribution.

25 24. As a result, the risk-and-expense factor clearly favors approval of the settlement.

26 **C. Amount offered in settlement**

27 25. Under relevant case law, “[t]he proposed settlement is not to be judged against a
28 hypothetical or speculative measure of what might have been achieved had plaintiffs prevailed at

1 trial.” *Wershba*, 91 Cal.App.4th at 246. “[T]he test is not the maximum amount plaintiffs might
2 have obtained at trial ... but rather whether the settlement is reasonable under all of the
3 circumstances. *Id.* at 250. This is because prevailing at trial is uncertain, as explained above.

4 26. The significant terms of the Settlement Agreement include the following:

- 5 • Defendants will pay \$700,000 to, for, or on behalf of the Class Members;
- 6 • The final judgment will contain a provision deeming that the plaintiffs and all
7 Class Members release defendants from claims relating to the claims or
8 allegations in this action;
- 9 • Class Members will have the right to object to or opt out of the settlement and, if
10 15% or more of the Class Members opt out, defendants have the option of
11 voiding the settlement.

12 27. While the settlement does not provide as much relief as plaintiffs and the Class
13 members (and class counsel) no doubt hoped for, it does provide some relief and it provides it
14 now. As a result, it is my opinion, for the reasons expressed throughout this declaration, that this
15 settlement is a preferable outcome to the inherently risky and expensive alternative of taking this
16 case through trial, judgment, and the inevitable appeals that would follow if plaintiffs succeeded
17 even in some smallest measure.

18 **D. The discovery completed and the stage of the proceedings**

19 28. At the time that the parties entered into the Settlement Agreement, plaintiffs’
20 counsel had a thorough understanding of the nature of this case and the evidence supporting
21 plaintiffs’ claims and the defendant’s defenses. The matter was virtually trial-ready. According
22 to my records, approximately forty-five depositions had been taken by the parties in the case.
23 Plaintiffs’ counsel had also examined many tens of thousands of pages of documents, some of
24 which defendants had produced, and others which were produced through subpoenas to non-
25 parties.

26 29. In short, settlement occurred nearly “on the courthouse steps.” As a result,
27 Plaintiffs’ counsel were well aware of both the strengths **and** weaknesses of plaintiffs’ case; and
28 could anticipate with considerable accuracy the defense strategy and testimony that plaintiffs

1 would face at trial. Plaintiffs' counsel negotiated the settlement from a fully informed
2 perspective. This too favors approval of the settlement.

3 **E. Experience and views of plaintiffs' counsel**

4 30. The Referee is familiar with plaintiffs' counsel's abilities and competence in this
5 matter. While plaintiffs' and their counsel had substantially less financial resources at their
6 disposal than the corporate defendants and their counsel, plaintiffs' counsel nevertheless matched
7 or exceeded the efforts of defendants' counsel, brief for brief and argument for argument. In fact,
8 plaintiffs prevailed on many important and critical motions during the proceedings. These
9 included prevailing to a substantial degree on defendants' various motions for summary
10 adjudication and/or summary judgment, plaintiffs' motion for class certification (and defendants'
11 various attempts at decertification, including in the appellate courts), plaintiffs' motion for
12 bifurcation, and various motions in limine. But prevailing in certain pre-trial proceedings does
13 not guarantee success at trial; rather, it merely prevented dismissal of the case and gave plaintiffs
14 the opportunity to continue trying to establish the necessary elements of their claims with
15 admissible evidence, in an amount sufficient to satisfy plaintiffs' burden of proof.

16 31. Collectively, Jon Borderud, Cliff Cantor, Ted Mann, and I have spent many years
17 engaged in commercial and/or consumer litigation. Our prosecution of this case on plaintiffs'
18 behalf was well within our experience and capabilities as evidenced in part by our degree of
19 success in pre-trial proceedings.

20 32. Plaintiffs' counsel also have substantial trial experience. In fact, only two months
21 before the present matter was scheduled to go to trial, I tried an employment case in the U.S.
22 District Court for the Central District of California. In that trial, I represented the plaintiff and
23 was the lead trial attorney in a case that involved the wrongful termination of the plaintiff based
24 on his disabilities. The jury returned a verdict in favor of plaintiff in the amount of \$1.5 million.
25 It is my understanding that this was the largest reported employment verdict in Orange County
26 this year. Attorneys' fees and costs were also awarded in the sum of \$500,000. While this verdict
27 provides some evidence that I am a competent trial lawyer, it certainly does not mean that I can
28 try and win **any** case. To the contrary, my experience is sufficient to enable me to analyze and

1 recognize the potential weaknesses that exist in this case and that could prevent a successful result
2 here.

3 33. In plaintiffs' counsels' view, the proposed settlement is fair, reasonable, and
4 adequate given the facts and circumstances of this case. In reaching this conclusion, I have spent
5 a great deal of time over the years evaluating the strengths and weaknesses of plaintiffs' case and
6 the many ways the evidence could be perceived by the trier of fact (and, if necessary, by the
7 appellate courts).

8 **F. Reaction of the Class members**

9 **1. Notice of the proposed settlement**

10 34. Plaintiffs' counsel gave notice to the Class in the form and manner that the Referee
11 ordered in the Preliminary Approval Order. The Referee signed that Order on September 27,
12 2006. Thereafter, it took a day or so for the parties and JAMS to pick a mutually agreeable date
13 for the final approval hearing. We added these dates to the Notice as the Referee directed. Then,
14 we completed posting notice on the web on October 5, 2006. The completed notice can be found
15 at www.lanzagoolsby.com or www.lanzagoolsby.com/norcohills. By the same date, we
16 completed posting other documents in which Class members may be interested, such as the
17 Preliminary Approval Order, the Settlement Agreement, and the approved Class list. Then, I was
18 informed by Jon Borderud that plaintiffs' counsel completed mailing the Notice to each Class
19 member by October 11, 2006. *See* Ex. B hereto (Borderud Decl., ¶ 9). This was the "best-
20 efforts" deadline that the Referee specified in the Preliminary Approval Order.

21 **2. Opt-outs and objections**

22 35. As of the date that I finalized this declaration, we have received **no** opt-out
23 requests and **no** objections from Class members.¹

24 36. At the preliminary approval stage, we deliberately asked the Referee to schedule
25 the deadlines for opting out or objection to be one week **after** the deadline for the parties to
26

27 ¹ This fraction is insignificant. *See, e.g., Petrovic v. AMOCO Oil Co.*, 200 F.3d 1140, 1152
28 (8th Cir. 1999) ("fewer than 4 percent of the class members objected to the settlement,
significantly fewer than the number of objectors to other settlements that have been approved").

1 submit their motions and other papers in support of the settlement. Our plan is to post the motions
2 and supporting papers on www.lanzagoolsby.com/norcohills as soon as possible after finalizing
3 and submitting them. This will enable Class members to read and analyze the reasons that we
4 support the settlement prior to making a final decision on whether to opt out or object.

5 37. Thus, because the deadline for opting out and/or objecting has not arrived yet, it is
6 possible that we will receive opt-out requests and/or objections. At that point, we may decide to
7 address them in an optional supplemental brief.

8 38. Currently, there are no opt-outs and no objections.

9 39. It is fair to say that, when we first decided to take this case, it appeared to me that
10 one possible outcome was a much more substantial recovery for Class members. Indeed,
11 knowing that the case could require thousands of hours of attorney time, it would have been
12 irrational to take the case in the first place if I did not consider a substantial recovery to be among
13 the possible outcomes. However, for the reasons I expressed above primarily in the section
14 concerning risks, I now think the case is “worth” less than I originally hoped. And, for the
15 reasons I express below in the section concerning attorneys’ fees, any potential objections that
16 \$210,000 is too high for the many thousands of hours of attorney work that plaintiffs’ counsel
17 collectively devoted are misplaced.

18 40. In short, only a very small percentage (or none) of the Class is expected to opt out
19 or object.

20 **G. All settlement negotiations were at arms’ length**

21 41. Settlement negotiations in this matter commenced long ago under the auspices of
22 mediator Judge John Leo Wagner (ret.). The final negotiations that led to the Settlement
23 Agreement were done independently of Judge Wagner.

24 42. I am personally familiar with nearly all settlement negotiations conducted in this
25 case. Those negotiations took place mostly by conference calls with defendants’ counsel in which
26 I participated, or via correspondence or emails that I sent or received or received a “cc” or “bcc”
27 containing proposals and counters to those proposals.

28 43. It is my observation that such negotiations were conducted seriously and

1 professionally. At all times through the negotiations, counsel for the two sides maintained an
2 arms'-length and adversarial stance. There was no collusion.

3 **H. The presumption of fairness applies here**

4 44. As I understand relevant California case law, the proposed settlement is fair,
5 adequate, and reasonable for all the reasons that I explained above and also because certain of
6 those reasons, standing alone, lead to a presumption of fairness. *See Wershba*, 91 Cal.App.4th at
7 245. I listed the factors that lead to such a presumption in ¶ 11, above. Each of those factors
8 exists here.

9 45. First, the settlement was reached through arms'-length negotiation. There was no
10 collusion. *See supra* at ¶ 43.

11 46. Second, investigation and discovery were more than sufficient to allow plaintiffs'
12 counsel and the Referee to act intelligently. *See supra* at ¶¶ 28-29. The Referee has seen
13 previews of virtually all of defendants' arguments that plaintiffs' counsel have seen, is familiar
14 with this case, and certainly is in a position to act intelligently.

15 47. Third, counsel is experienced in similar litigation. *See supra* at ¶¶ 30-29.

16 48. Fourth, the percentage of objectors is small (or zero).

17 49. In these circumstances, the Referee would be justified in applying the presumption
18 – though I recommend that the Referee examine **all** relevant factors to cross-check that the
19 presumption should apply and is not rebutted.

20 50. For all of the above reasons, in my professional opinion, the Referee should grant
21 the parties' joint motion for final approval of the pending settlement.

22 **III. THE REQUESTED ATTORNEYS' FEES**

23 51. During the 4½ years that we actively litigated this case, the three firms that did
24 almost all of the work devoted a total of \$5,685 attorney hours to the matter. *See Lanza Decl. re.*
25 *Fees & Expenses* at ¶ 5 (attached hereto as Ex. A); *Borderud Decl. re. Fees & Expenses* at ¶ 5
26 (attached hereto as Ex. B); *Cantor Decl. re. Fees & Expenses* at ¶ 5 (attached hereto as Ex. C).
27 The firms' bills or "lodestar" therefore amounts to a total of \$1,940,860. A chart showing the
28

1 three firms' hours and lodestar follows:²

2	Firm	Time	Amount
3	Lanza & Goolsby,	3,329.7	\$1,082,152
4	a Professional Law Corporation		
5	Borderud Law Group	760.3	\$300,318
6	Law Offices of	1,595.4	\$558,390
7	Clifford A. Cantor, P.C.		
8	TOTAL	5,685.4	\$1,940,860

9
10 52. A large part of the settlement consideration consists of a \$700,000 payment by
11 Defendants, called the "Primary Payment" in the Settlement Agreement. Plaintiffs' counsel has
12 asked for approval of attorneys' fees of \$210,000 out of that \$700,000, consisting of exactly 30%
13 of the "Primary Payment."

14 53. This was spelled out in the Notice that went to all Class members. In this regard,
15 the Notice read:

16 Class counsel will apply to the Referee for payment of attorneys' fees of **30% of**
17 **the gross recovery**, plus reimbursement of actual expenses, to be paid out of the
18 class settlement fund. [Notice at ¶ 4 (emphasis added)]

19 This provision has caused **no** objections to date. Evidently the entire Class believes that such a
20 fee is reasonable under the circumstances.

21 54. In 2001 and 2002, the buyers of approximately 62 of Western Pacific's Hidden
22 Valley homes freely entered into written engagement agreements with Lanza & Goolsby to
23 represent them in connection with seeking relief for the reasons addressed in the pleadings in this

24 ² In the earlier stages of this case, a substantial New York firm, Wechsler Harwood
25 Halebian & Feffer, LLP, contributed both time and expenses. It appears to me that the firm
26 abandoned the case on the ground that pursuing it was not likely to be "profitable." Despite many
27 communications from us (i.e., from Cliff Cantor, Jon Borderud, and me), this New York firm has
28 not contributed any time or expenses of which we are aware for quite some time. In fact, we do
not believe the firm even exists anymore, and we have received no new "notice of appearance" or
"notice of change of firm" or any similar document. We have not included that firm's time and
expenses.

1 lawsuit.

2 55. The terms of those written engagement agreements universally included attorneys'
3 fees of 30% of any gross recovery amount; plus reimbursement of expenses totally apart from
4 attorneys' fees. Every one of the agreements were identical in this regard.

5 56. It thus appears that there was an established "market" for the value of legal
6 services in connection with prosecuting this case. The "market" value of the legal services – i.e.,
7 30% of the gross amount, plus reimbursement of actual expenses – should be persuasive in
8 determining what a reasonable fee is.

9 57. It is for this reason that plaintiffs' counsel requested approval of a fee award of
10 exactly 30% of the \$700,000 "Primary Payment" as opposed to any other percentage.³

11 58. It is my impression, confirmed by practices within my firm and information that
12 has been shared with me by colleagues outside my firm, that contingent fees in non-class tort
13 litigation are generally 33⅓% at a bare minimum and more typically are approximately 40%. In
14 this respect, a 30% fee contingent fee is lower than the norm.

15 59. While a 30% fee, consisting of \$210,000, is fair and reasonable under the
16 percentage-of-the-fund approach, it is also reasonable under the lodestar-and-multiplier approach.
17 In California, "[m]ultipliers can range from 2 to 4 or even higher." *Wershba*, 91 Cal.App.4th at
18 255. These multipliers tend to compensate class counsel for the risk involved in taking a case on
19 a contingent basis.

20 60. Here, counsel's lodestar fees are \$1,940,860. *See supra* at ¶ 51. Approval of an
21 award of \$210,000 represents a multiplier not of "2 to 4 or even higher" – but a fractional
22 multiplier of only approximately .1 of counsel's fees. The Referee is well aware of the time,
23 effort, and skill that plaintiffs' counsel devoted to this matter. Under the lodestar-and-multiplier
24 approach – which the Referee may use to cross-check the percentage-of-the-fund approach – an
25 award of \$210,000 (representing a multiplier of .1) for 5,685 hours of attorney time is eminently

26 ³ Aside from the fact that 30% represents both the established market value for legal
27 services in this litigation and is also intrinsically fair, approval of any other percentage might raise
28 complex questions involving either (i) breach of contract or (ii) failure to treat all members of the
Class equally.

1 reasonable.

2 **IV. REIMBURSEMENT OF THIRD-PARTY EXPENSES**

3 61. During the 4½ years that we actively litigated this case, the three firms that did
4 almost all of the work advanced a total of \$146,411, plus the bill of Mr. Lutton that is not yet
5 resolved, in out-of-pocket expenses for payment to third-party vendors. *See* Lanza Decl. re. Fees
6 & Expenses at ¶ 6 (attached hereto as Ex. A); Borderud Decl. re. Fees & Expenses at ¶ 6 (attached
7 hereto as Ex. B); Cantor Decl. re. Fees & Expenses at ¶ 6 (attached hereto as Ex. C). These
8 expenses are ordinary and reasonable expenses of the type that typically arise in litigation and are
9 not exorbitant. In fact, we had every incentive to keep a watchful eye on these expenses because
10 it was our own money that we were advancing on a contingent basis, without any guarantee of
11 prevailing or getting reimbursed. Each expense item represents an actual unreimbursed payment
12 to a vendor for services rendered. Examples of the larger expenses include JAMS (which was
13 necessary pursuant to the Court’s interpretation of Western Pacific’s uniform purchase contracts
14 with its homebuyers), expert witnesses, and deposition reporters.

17 62. Full-detail expense reports are attached, showing every dollar spent. *See* Lanza
18 Decl. re. Fees & Expenses at ¶ 6 (attached hereto as Ex. A); Borderud Decl. re. Fees & Expenses
19 at ¶ 6 (attached hereto as Ex. B); Cantor Decl. re. Fees & Expenses at ¶ 6 (attached hereto as
20 Ex. C).

21 63. In addition, plaintiffs’ counsel have been billed \$13,545 by one of their experts,
22 Mr. James Lutton. Plaintiffs’ counsel contested the bill as excessive for the work performed. Mr.
23 Lutton agreed to reduce his bill to \$9,525, representing 63.5 hours of time, which I believe is still
24 excessive. Assuming reimbursement for payment to Mr. Lutton will come directly out of the
25 Class’s pocket, plaintiffs’ counsel believe we should contest the amount if it does not appear to be
26 reasonable. Mr. Lutton agreed that the Referee should make the final decision. We and
27 Mr. Lutton collectively submitted our respective positions to the Judicial Referee on October 31,
28 2006. The amount that the Referee decides is reasonable will be paid forthwith by Lanza &

1 Goolsby and should be added to my firm's reimbursable expenses.

2 64. The expenses to be reimbursed are shown in the following chart, with blank spaces
3 left for the unknown amount to be paid for the Lutton bill and the total:

Firm	Expenses
Lanza & Goolsby, a Professional Law Corporation (not including Lutton)	\$73,893.33
Borderud Law Group	\$34,720.34
Law Offices of Clifford A. Cantor, P.C.	\$37,797.37
SUBTOTAL	\$146,411.04
Lutton bill (not yet resolved)	\$ _____
TOTAL	\$ _____

14 65. It is customary in litigation for the client to pay his/her/their own expenses, though
15 lawyers are permitted to "advance" those amounts. It is my understanding that the Rules of
16 Professional Conduct do not prohibit lawyers from "advancing the costs of prosecuting or
17 defending a claim or action ... , the repayment of which may be contingent on the outcome of the
18 matter." RPC 4-210(3) (emphasis added).

19 66. This too was spelled out in the Notice that went to all Class members. The Notice
20 read:

21 Class counsel will apply to the Referee for payment of attorneys' fees of 30% of
22 the gross recovery, **plus reimbursement of actual expenses**, to be paid out of
23 the class settlement fund. [Notice at ¶ 4 (emphasis added)]

24 This provision has caused **no** objections to date. Evidently the entire Class believes that
25 reimbursement of actual expenses is appropriate.

26 67. Reimbursement of the expenses plaintiffs' counsel has advanced, plus the Lutton
27 bill (to be determined by the Referee), is eminently reasonable.

28

1 V. CLASS REPRESENTATIVE COMPENSATION

2 68. It is my understanding that additional compensation to class representatives who
3 participate in obtaining a recovery on behalf of a class is customary, especially when the class
4 representatives have devoted substantial time and energy in conferring with counsel, responding
5 to written discovery requests, producing documents, and giving their depositions.

6 69. In this case, Mr. and Mrs. Beaudet and Mr. and Mrs. Dallah participated in at least
7 all the ways addressed in the paragraph above. See Lanza Decl. re. Fees & Expenses at ¶ 8
8 (attached hereto as Ex. A); Borderud Decl. re. Fees & Expenses at ¶ 8 (attached hereto as Ex. B);
9 Cantor Decl. re. Fees & Expenses at ¶ 8 (attached hereto as Ex. C).

10 70. In my opinion, based on a review of California cases (most of which are
11 unpublished) on this subject, that compensation of \$3,000 for each of the two couples would be
12 fair, reasonable, and not disproportionate to the result achieved.

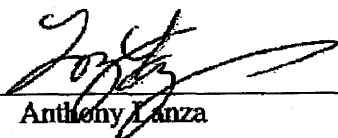
13 71. This request was spelled out in the Notice that went to all Class members. The
14 Notice read:

15 They will also apply to the Referee for class representative compensation in the
16 amount of \$3,000 for each of the two couples who represent the class, to be paid
out of the class settlement fund. [Notice at ¶ 4 (emphasis added)]

17 This provision has caused no objection to date. Evidently the entire Class believes that
18 compensation of the class representatives in the reasonable amounts proposed is appropriate.

19 I declare under penalty of perjury under the laws of the State of California that the
20 foregoing is true and correct.

21 Executed on November 3, 2006, at Irvine, California.

22 
23 _____
24 Anthony Lanza

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Exhibit A

1 4. Throughout my involvement in this case – and the case was virtually trial-ready
2 when the parties agreed on a settlement – I did my part in ensuring that the tasks necessary to
3 prosecute this case were allocated among plaintiffs’ counsel appropriately and were conducted
4 efficiently, without duplication of effort, and at minimal expenses. Not being paid by the hour,
5 plaintiffs’ counsel in this case had an incentive to conduct their efforts efficiently. So too, being
6 responsible for advancing all expenses, plaintiffs’ counsel had an incentive not to expend funds
7 lavishly or unnecessarily.

8 5. The total number of hours spent on this case by my firm was 3,329.7 as of October
9 2006.¹ Calculated at \$325 per hour, this amounts to \$1,082,152 in lodestar fees. Expense items
10 are accounted for and billed separately and such charges are not duplicated in my firm’s billing
11 hours or rates.

12 6. My firm advanced \$73,743.33 in un-reimbursed actual expenses in connection
13 with the prosecution of this litigation, plus an estimated additional \$150 for future filing fees and
14 related future cost items, for a total of \$73,893.33. A full detail expense report is attached.

15 7. The actual expenses incurred in the prosecution of this case are reflected on the
16 computerized accounting records of my firm. Those accounting records are prepared by
17 accounting staff from receipts and check records and are an accurate reflection of all actual
18 expenses incurred. My firm does not mark-up any expense items.

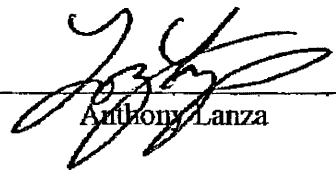
19 8. During the course of this case, I spent a great deal of time with Mr. and Mrs.
20 Beaudet and Mr. and Mrs. Dallah. I conferred with them by phone many times, and I have
21 conferred with them in person in Norco and at our law offices. I was also involved in
22 communicating with them extensively in writing and by phone concerning the various stages of
23 the litigation. I was also involved in their responses to defendants’ extensive written discovery
24 requests and their search for and production of documents, which were time-consuming tasks.
25 Based on the effort they devoted to this case, my experience in other actions, and my
26

27 ¹ Although I was working with the same group of lawyers in representing the plaintiffs in a
28 similar case against Centex Homes et al., the figures given in this declaration pertain to the
Western Pacific case and not to the Centex Homes case, without overlap.

1 interpretation of applicable case law, a compensation award to them of \$3,000 per couple for their
2 time, effort, and perseverance in representing the interests of the class would be justified and
3 reasonable.

4 I declare under penalty of perjury under the laws of the State of California that the
5 foregoing is true and correct.

6 Executed on November 3, 2006, in Irvine, California.

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Anthony Lanza

LANZA GOOLSBY EXPENSE DETAIL [BEAUDET V. WESTERN PACIFIC]

\$159.07	Airborne Express bill (apportioned)	Multiple
\$225.22	Airline ticket for deposition of Les Dole in San Jose	12/08/04
\$52.91	Ambassador Services (deposition officer)	12/16/05
\$37.00	American Legal Services	05/13/05
\$18.50	AT&T telephone charges for fax	08/31/04
\$30.00	AT&T telephone charges for fax	05/04/04
\$21.78	AT&T Telephone charges	08/17/04
\$21.95	Attend Norco City community meeting	08/23/05
\$34.00	Attorney Service charge re: subpoena	05/09/05
\$5,315.60	Barrett Court Reporting (multiple deposition fees)	10/24/06
\$633.25	Barrett Reporting for deposition of Hassan Amini	10/05/05
\$676.00	Barrett Reporting for deposition of Leslie Dole	10/12/05
\$396.78	California Overnight delivery	
	\$7.47	05/06/05
	\$7.44	05/09/05
	\$7.44	05/09/05
	\$7.37	06/09/05
	\$7.33	06/30/05
	\$7.35	07/07/05
	\$7.44	07/22/05
	\$7.44	07/22/05
	\$7.47	07/27/05
	\$7.47	08/09/05
	\$12.13	08/15/05
	\$11.11	08/19/05
	\$11.11	09/01/05
	\$7.75	10/13/05
	\$7.61	11/10/05
	\$7.76	03/17/06
	\$7.40	05/25/05
	\$7.61	09/08/05
	\$7.61	09/08/05
	\$7.82	09/15/05
	\$7.75	09/29/05
	\$226.90	06/30/06
\$2,000.00	Carl W. Boznanski (expert appraisal services)	01/06/06
\$11,687.50	Carl W. Boznanski (expert appraisal services)	10/24/06
\$101.83	City of Norco copy job (apportioned)	10/10/03
\$2,258.90	Coast Scanning charges	
	\$131.41 Coast Scanning	06/02/04
	\$83.47 Coast Scanning	06/10/05
	\$166.94 Coast Scanning (Dept of Radiological Health Services)	06/10/05
	(\$1,077.75) Coast Scanning credit	07/12/04
	\$64.53 Coast Scanning for Carl Boznanski	09/02/05
	\$189.54 Coast Scanning for Cole documents	06/20/05
	\$383.15 Coast Scanning for Cole documents	06/20/05
	\$1,077.75 Coast Scanning for Crouse Beers & Associates	07/12/04
	\$853.05 Coast Scanning for DTSC documents	04/25/05
	\$75.25 Coast Scanning for Emma Larch	11/07/05
	\$53.10 Coast Scanning for Hal Goldberg	10/03/05
	\$132.03 Coast Scanning for Matthew Hageman	09/12/05
	\$59.45 Coast Scanning for MSJ	05/16/05

LANZA GOOLSBY EXPENSE DETAIL [BEAUDET V. WESTERN PACIFIC]

	\$66.98	Coast Scanning for Voorvaart	10/03/05
\$2,444.65		Copy Page (copy vendor) charges	
	\$33.69	(apportioned)	10/15/03
	\$17.83		06/29/04
	\$1.29		06/29/04
	\$25.47		07/12/04
	\$12.93		09/30/04
	\$50.00		11/03/04
	\$183.36		12/06/04
	\$18.23		12/08/04
	\$35.04		04/11/05
	\$107.64		05/09/05
	\$213.51		05/09/05
	\$13.68		05/10/05
	\$27.15		05/12/05
	\$4.27		05/12/05
	\$10.67		05/12/05
	\$20.80		05/24/05
	\$41.91		05/24/05
	\$30.26		06/10/05
	\$33.29		06/30/05
	\$58.82		07/01/05
	\$75.32		07/20/05
	\$17.46		07/27/05
	\$115.66		07/28/05
	\$32.47		08/05/05
	\$19.18		08/23/05
	\$1.62		08/31/05
	\$33.13		09/01/05
	\$43.75		09/01/05
	\$54.52		09/08/05
	\$18.10		09/12/05
	\$2.16		09/12/05
	\$21.55		09/14/05
	\$130.79		09/15/05
	\$35.88		09/29/05
	\$35.88		09/29/05
	\$19.14		10/03/05
	\$13.47		11/09/05
	\$62.29		06/13/06
	\$48.09		06/15/06
	\$12.80		06/15/06
	\$48.09		06/15/06
	\$12.80		06/15/06
	\$12.07		06/15/06
	\$62.68		06/19/06
	\$18.03		02/25/04
	\$3.90		03/11/04
	\$8.62		03/11/04
	\$28.34		08/24/04
	\$17.50		10/25/04
	\$8.92		02/24/05

LANZA GOOLSBY EXPENSE DETAIL [BEAUDET V. WESTERN PACIFIC]

	\$7.18	02/24/05
	\$4.85	04/11/05
	\$56.78	06/14/05
	\$20.88	06/15/05
	\$25.53	06/22/05
	\$20.24	07/08/05
	\$21.33	05/04/05
	\$22.52	05/17/05
	\$41.91	05/24/06
	\$18.81	05/25/06
	\$20.88	06/08/05
	\$9.59	06/12/06
	\$62.68	07/01/06
	\$157.42	07/01/06
\$5.00	County of Riverside Civil Court	05/07/04
\$50.00	Court Call charges	12/01/05
\$50.00	Court Call charges	09/13/06
\$50.00	Court Call charges	03/28/06
\$1,606.21	Court filing/delivery fees to DDS	
	\$966.34 (apportioned)	Multiple
	\$12.00	09/08/04
	\$78.00	05/05/04
	\$3.50	05/13/04
	\$36.50	03/31/05
	\$36.50	04/18/05
	\$52.00	04/18/05
	\$77.00	04/19/05
	\$37.07	05/10/05
	\$48.00	05/13/05
	\$48.00	05/16/05
	\$48.00	05/23/06
	\$87.80	05/25/06
	\$1.50	10/17/05
	\$52.00	06/22/06
	\$22.00	06/26/06
\$70.93	Deposition fees paid to vender	06/19/05
\$8.00	Deposition shipping fees paid to vender	03/29/05
\$10.50	Emma Larch search fees paid to vender	08/18/05
\$360.00	Expert fees to Leslie Dole	10/12/05
\$180.00	Expert fees to Leslie Dole	10/12/05
\$55.18	Facsimile charges (telephone)	Multiple
\$23.50	Facsimile charges from AT&T	06/30/04
\$127.77	Federal Express delivery	
	\$22.27	10/10/05
	\$22.27	10/13/05
	\$31.95	10/29/05
	\$19.35	11/01/05
	\$19.51	05/07/04
	\$12.42	04/22/05
\$900.00	Geratrix Consultants (expert Hassan Amini)	10/04/05
\$450.00	Geratrix Consultants (expert Hassan Amini)	10/04/05
\$988.85	Ikon Office Solutions (copy vendor) (apportioned)	Multiple

LANZA GOOLSBY EXPENSE DETAIL [BEAUDET V. WESTERN PACIFIC]

\$870.03	James Lutton reimbursed expenses (expert)	05/09/06
\$21,083.67	JAMS (Judicial reference fees)	03/17/06
\$23.15	Long distance fax charges (telephone charges)	06/30/04
\$152.50	Monster.com advertisement re witness search (apportioned)	01/17/03
\$1,104.46	Long distance telephone charges (apportioned)	Multiple
\$24.00	Long distance telephone charges	09/30/05
\$10.00	Notary fee	08/10/05
\$14.95	Peoplefinders.com	06/21/05
\$2,338.23	Photocopy charges paid to Sedgewick Detert	Multiple
\$99.79	Plaza Copy & Imaging (copy vendor)	10/24/06
\$166.69	Plaza Copy & Imaging (copy vendor)	10/05/05
\$962.49	Postage No. 1 (apportioned)	Multiple
\$1,401.15	Postage No. 2	Multiple
\$50.00	Radiologic Health Branch	06/08/05
\$8.00	Riverside Superior Court	05/24/05
\$7.98	Rutan & Tucker Reimbursement	10/06/05
\$2,445.29	Sedgwick Detert (copy charges) (apportioned)	Multiple
\$55.67	Rutan & Tucker Reimbursement	10/07/05
\$238.70	Southwest Express delivery	
	\$6.30	09/01/04
	\$13.13	10/08/04
	\$6.18	02/24/05
	\$9.06	02/24/05
	\$9.63	04/22/05
	\$6.42	05/10/05
	\$9.42	05/10/05
	\$6.42	06/16/05
	\$9.63	06/23/05
	\$9.63	08/05/05
	\$9.42	08/25/05
	\$6.60	09/01/05
	\$9.68	09/01/05
	\$6.60	09/15/05
	\$14.52	09/15/05
	\$6.60	09/22/05
	\$9.68	10/03/05
	\$6.60	10/10/05
	\$14.43	06/19/06
	\$40.61	06/30/06
	\$18.90	06/30/04
	\$9.24	06/30/04
\$50.00	State Bar of CA (Pro Hac Vice App.)	10/22/04
\$1,500.00	Swape LLC (expert fees)	06/08/05
\$6,825.00	Swape LLC (expert fees)	10/24/06
\$343.70	Talty Court Reporters (deposition transcript)	10/05/05
\$1,155.41	Travel expenses	
	\$24.05	08/04/05
	\$27.21	08/06/05
	\$6.55	08/09/05
	\$53.28	08/18/05
	\$6.55	08/25/05
	\$57.32	08/26/05

LANZA GOOLSBY EXPENSE DETAIL [BEAUDET V. WESTERN PACIFIC]

\$14.82		08/29/05
\$9.50		10/17/05
\$8.50		10/31/05
\$9.00		06/29/06
\$9.00		06/30/06
\$695.12		Multiple
\$9.50		03/19/04
\$9.00		04/19/04
\$8.50		09/08/04
\$9.50		10/03/04
\$9.67		11/10/04
\$10.94		11/11/04
\$9.35		11/12/04
\$7.00		11/23/04
\$6.55		11/29/04
\$6.55		12/01/04
\$6.55		12/07/04
\$6.55		12/13/04
\$8.25		01/31/05
\$33.70		07/19/05
\$6.95		09/10/05
\$8.65		09/07/05
\$8.45		09/07/05
\$6.95		09/09/05
\$17.00		09/13/05
\$4.95		09/15/05
\$3.50		09/16/05
\$6.95		09/16/05
\$8.50		09/23/05
\$3.50		09/30/05
\$9.00		05/24/05
\$8.50		06/08/05
\$55.00	Witness fee for Emma Larch	06/19/06
\$55.00	Witness fee for Jon Larch	06/19/06
\$1,535.59	Westlaw legal research charges	
\$246.37		06/30/04
\$57.42		09/01/04
\$136.08		10/31/04
\$10.78		11/30/04
\$115.78		11/30/04
\$69.23		12/31/04
\$30.69		01/31/05
\$55.23		05/31/05
\$36.74		06/30/05
\$4.07		07/31/05
\$48.12		08/31/05
\$29.05		10/31/05
\$36.51		03/31/04
\$16.80		04/30/04
\$64.00		05/31/04
\$44.31		05/31/04
\$27.09		07/31/04

LANZA GOOLSBY EXPENSE DETAIL [BEAUDET V. WESTERN PACIFIC]

	\$20.49	02/28/05
	\$90.34	09/30/05
	\$157.45	04/30/05
	\$88.01	12/31/05
	\$93.39	06/30/06
	\$57.64	05/31/06
\$58.00	Witness fee re: Jack Reimer	06/08/05
\$58.00	Witness fee re: subpoena	05/12/05
\$73,743.33	TOTAL	

Exhibit B

1 was allocated among plaintiffs' counsel appropriately, was conducted efficiently and without
2 duplication of effort, and was carried out with sufficient but minimal expense. Because plaintiffs'
3 counsel was not being paid by the hour, plaintiffs' counsel had an incentive to conduct their
4 efforts efficiently. Similarly, because we were required to advance all expenses, plaintiffs'
5 counsel had a strong incentive not to spend money unnecessarily.

6 5. The total number of attorney hours spent on this case by my law office was
7 approximately 760.3 hours as of August 31, 2006. The total lodestar amount of attorney time in
8 this case based on current billing rates is approximately \$300,318.50 as of that date. The lodestar
9 figure is based on the ordinary billing rates my law office charges all clients, including those that
10 pay for legal services by the hour. Time spent on accounting, preparing periodic invoices, and
11 preparing this application for fees and reimbursement of expenses has not been included in these
12 figures. Expense items are accounted for and billed separately, and such charges are not included
13 in my law office's billing rates.

14 6. My law office advanced a total of \$34,720.34 in unreimbursed actual expenses in
15 connection with the prosecution of this litigation categorized as follows:

<u>Category</u>	<u>Total</u>
Deposition costs	\$ 8,893.10
Expert witness fees	1,100.00
Express mail services, couriers	171.75
On-line services/research	94.69
Professional services (JAMS)	22,046.33
Outside Copy Services	2,184.69
Postage	84.19
TOTAL	<u>\$34,574.75</u>

26 A more detailed expense report is attached hereto as Exhibit 1.

27 7. The expenses listed above were incurred in the prosecution of this case alone, and
28 are reflected on the accounting records of my office. Those accounting records are prepared by

1 my accountant from receipts and check records, and are accurate regarding all actual expenses
2 incurred. None of these expenses have been marked up or marked above their actual cost.

3 8. Based on the effort that the class plaintiffs Mr. and Mrs. Beaudet and Mr. and Mrs.
4 Dallah devoted to this case, and based on my experience with plaintiffs' incentive awards in other
5 class actions, it is my opinion that an award of \$3,000 per couple for their time, effort, and
6 perseverance in representing the interests of the class is entirely appropriate and reasonable.

7 9. On October 11, 2006, under my supervision, my office completed mailing notice to
8 all class members in accordance with the preliminary approval order for this settlement.

9 I declare under penalty of perjury under the laws of the State of California that the
10 foregoing is true and correct.

11 Executed this 2nd day of November 2006, at Los Angeles, California.

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16 Jon W. Borderud
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EXHIBIT 1

Borderud Law Group Expenses
Western Pacific Case # 133

Date	Payee	Description	Amount
3/31/2005	Federal Express	Shipping	\$ 88.16
10/31/2005	Federal Express	Shipping	\$ 62.19
12/22/2005	JAMS	Mediation Services	\$ 6, 290.00
1/25/2006	Barrett Reporting	Court Reporting	\$ 2,000.00
1/30/2006	Federal Express	Shipment to JAMS	\$ 15.21
5/30/2005	Plaza Copy & Imaging	Copy Job	\$ 250.00
3/9/2006	JAMS	Trial Fees (non-refundable)	\$ 15,756.33
6/01/2006	Barrett Reporting	Court Reporting	\$ 1, 991.27
6/05/2006	Plaza Copy & Imaging	Copy Job	\$ 1, 257.03
6/08/2006	Bell Anderson & Sanders	Def.s' Expert Depo. Fees	\$ 1,100.00
6/14/2006	Barrett Reporting	Deposition	\$ 3 ,630.97
6/20/2006	Barrett Reporting	Deposition	\$ 1, 270.86
8/1/2006	Plaza Copy	Copy Job	\$609.51
2003	Outside Service	Copy Job	\$68.15
10/11/06	U.S. Postal Service	Postage	\$84.19
Var.	Telephone Co.	Telephone	\$151.78
Var.	Westlaw	Research/Westlaw	\$94.69
TOTAL			\$34,720.34

Exhibit C

1 5. The total number of attorney hours spent on this case by my law office was 1,595.4
2 as of October 14, 2006. The total lodestar amount of attorney time based on the law office's
3 current rates was \$558,390 as of that same date.¹ My law office's lodestar figure is based on my
4 ordinary billing rate that my law office charges all clients including those that pay for legal
5 services by the hour. Time spent on accounting, preparing periodic invoices, and preparing this
6 application for fees and reimbursement of expenses has not been included in these figures; it has
7 never been my law office's practice to bill for the time spent in billing. Expense items are
8 accounted for and billed separately and such charges are not duplicated in my law office's billing
9 rates.

10 6. My law office advanced a total of \$37,797.37 in unreimbursed actual expenses in
11 connection with the prosecution of this litigation, as follows:

<u>Category</u>	<u>Total</u>
Depositions	\$ 1,308.65
Expert witnesses	10,947.50
Express services, couriers, mail	48.58
On-line services / research	1,058.39
Professional services	22,246.29
Telephone	346.96
Travel	1,841.00
TOTAL	<u><u>\$37,797.37</u></u>

22 A full-detail expense report is attached hereto.

23 7. The actual expenses incurred in the prosecution of this case are reflected on the
24 computerized accounting records of my law office. Those accounting records are prepared by
25

26 _____
27 ¹ Although I was working with the same group of lawyers in representing the plaintiffs in a
28 similar case against Centex Homes et al., my law office separated all its accounting for the two
matters – including both time and expenses. The figures given in this declaration pertain only to
the Western Pacific case and not to the Centex Homes case, without overlap.

1 accounting staff from receipts and check records and are accurate regarding all actual expenses
2 incurred. The law office does not mark up any expense items.

3 8. During the course of this case, I spent a great deal of time with Mr. and Mrs.
4 Beaudet and Mr. and Mrs. Dallah. I conferred with them by phone many times. I also conferred
5 with them in person in their homes and at law offices. I was involved in assisting them in
6 preparing for their depositions and defended them during their depositions. I was also involved in
7 communicating with them in writing and by phone concerning the various stages of the litigation.
8 I was not involved in their responses to defendants' written discovery requests or their search for
9 and production of documents, though I know they undertook these time-consuming tasks. Based
10 on the effort that they devoted to this case, my experience with awards in other class actions, and
11 my interpretation of California case law, an award of compensation to them of \$3,000 per couple
12 for their time, effort, and perseverance in representing the interests of the class would be entirely
13 justified and reasonable.

14 I declare under penalty of perjury under the laws of the State of California that the
15 foregoing is true and correct.

16 Executed this 31st day of October 2006, at Sammamish, Washington.

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19 _____
20 Clifford Cantor
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Law Offices of Clifford A. Cantor, P.C.
Beaudet et al. v. Western Pacific
Expense Report (beginning Feb. 2003)

<u>Date</u>	<u>Source Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
Depositions				
12/1/2005	Lanza & Goolsby	Court Reporting Services	604.45	604.45
12/28/2005	Lanza & Goolsby	Court Reporting Services	704.20	1,308.65
Total Depositions			1,308.65	1,308.65
Expert Witnesses				
11/1/2004	Hal Goldberg	Qualitative and Quantitative Research -...	1,222.50	1,222.50
4/15/2005	Hal Goldberg	Qualitative and Quantitative Research -...	1,000.00	2,222.50
6/2/2005	Lanza & Goolsby	SWAPE - Matt Hagemann	1,500.00	3,722.50
6/2/2005	Lanza & Goolsby	Qualitative and Quantitative Research	2,075.00	5,797.50
8/22/2005	Hal Goldberg	Qualitative and Quantitative Research -...	2,775.00	8,572.50
10/26/2005	Pricewaterhous...	Jessica Pollner Deposition	1,100.00	9,672.50
10/27/2005	Pricewaterhous...	Frank Voorvaart Deposition	1,275.00	10,947.50
Total Expert Witnesses			10,947.50	10,947.50
Express,Courier,Mail				
9/4/2003	Fedex	Express	9.00	9.00
11/30/2005	UPS	Express	9.28	18.28
1/6/2006	Fedex	Express	11.28	29.56
3/30/2006	Fedex	Express	19.02	48.58
Total Express,Courier,Mail			48.58	48.58
On-line Services/Research				
2/15/2003	Lexis Nexis	Research	6.81	6.81
3/14/2003	Lexis Nexis	Research	14.71	21.52
4/15/2003	Lexis Nexis	Research	33.63	55.15
5/15/2003	Lexis Nexis	Research	1.74	56.89
7/7/2003	ABA	Research	15.99	72.88
11/15/2003	Lexis Nexis	Research	32.61	105.49
12/15/2003	Lexis Nexis	Research	12.60	118.09
2/15/2004	Lexis Nexis	Research	45.30	163.39
3/15/2004	Lexis Nexis	Research	41.92	205.31
4/15/2004	Lexis Nexis	Research	83.25	288.56
6/6/2004	West Group	Research	12.00	300.56
6/15/2004	Lexis Nexis	Research	41.00	341.56
7/15/2004	Lexis Nexis	Research	82.58	424.14
10/15/2004	Lexis Nexis	Research	7.49	431.63
11/15/2004	Lexis Nexis	Research	37.94	469.57
12/15/2004	Lexis Nexis	Research	20.27	489.84
4/15/2005	Lexis Nexis	Research	4.00	493.84
5/6/2005	Infotrieve	Factural research	33.00	526.84
5/15/2005	Lexis Nexis	Research	111.74	638.58
5/22/2005	Intelius	Witness location	7.95	646.53
5/22/2005	Intelius	Witness location	7.95	654.48
6/15/2005	Lexis Nexis	Research	99.58	754.06
7/15/2005	Lexis Nexis	Research	19.49	773.55
8/20/2005	Intelius	Witness location	12.90	786.45
9/2/2005	Westlaw	Research	14.00	800.45
9/15/2005	Lexis Nexis	Research	10.37	810.82
11/12/2005	Lexis Nexis	Research	134.95	945.77
1/25/2006	Pacer Service ...	Research	14.40	960.17
9/15/2006	Lexis Nexis	Research	98.22	1,058.39
Total On-line Services/Research			1,058.39	1,058.39
Professional Services				
8/27/2004	Dan Cantor	Web site services - class cert. notice	100.00	100.00
12/14/2005	JAMS	Judicial Referee services	6,290.00	6,390.00
3/9/2006	JAMS	Judicial Referee services	21,083.33	27,473.33
10/5/2006	Lanza & Goolsby	Web site services - class settlement not...	50.00	27,523.33
10/16/2006	Lanza & Goolsby	Partial reimbursement for Judicial Refer...	-5,327.04	22,196.29
10/29/2006	Dan Cantor	Web site services - class settlement not...	50.00	22,246.29
Total Professional Services			22,246.29	22,246.29
Telephone				
2/11/2003	Marathon	Telephone	0.33	0.33
3/11/2003	Marathon	Telephone	2.07	2.40

<u>Date</u>	<u>Source Name</u>	<u>Memo</u>	<u>Amount</u>	<u>Balance</u>
4/10/2003	Marathon	Telephone	5.05	7.45
5/12/2003	Marathon	Telephone	1.94	9.39
6/17/2003	Marathon	Telephone	0.36	9.75
7/16/2003	Marathon	Telephone	2.87	12.62
8/12/2003	Marathon	Telephone	1.44	14.06
9/26/2003	Marathon	Telephone	1.69	15.75
12/12/2003	Marathon	Telephone	2.82	18.57
1/13/2004	Marathon	Telephone	0.33	18.90
2/21/2004	Marathon	Telephone	26.49	45.39
3/24/2004	Marathon	Telephone	30.90	76.29
4/27/2004	Marathon	Telephone	8.40	84.69
5/19/2004	Marathon	Telephone	11.05	95.74
6/17/2004	Marathon	Telephone	28.85	124.59
7/19/2004	Marathon	Telephone	16.79	141.38
8/24/2004	Marathon	Telephone	18.02	159.40
11/10/2004	Marathon	Telephone	17.90	177.30
12/17/2004	Marathon	Telephone	19.68	196.98
1/14/2005	Marathon	Telephone	0.30	197.28
3/3/2005	Marathon	Telephone	8.55	205.83
3/22/2005	Marathon	Telephone	10.54	216.37
5/2/2005	Marathon	Telephone	9.77	226.14
5/27/2005	Marathon	Telephone	8.51	234.65
6/21/2005	Marathon	Telephone	21.72	256.37
7/19/2005	Marathon	Telephone	4.78	261.15
8/31/2005	Marathon	Telephone	5.53	266.68
9/21/2005	Marathon	Telephone	10.12	276.80
12/7/2005	Marathon	Telephone	14.91	291.71
12/15/2005	Marathon	Telephone	13.14	304.85
3/6/2006	Marathon	Telephone	0.55	305.40
3/16/2006	Marathon	Telephone	1.78	307.18
4/20/2006	Marathon	Telephone	0.25	307.43
5/18/2006	Marathon	Telephone	0.50	307.93
6/16/2006	Marathon	Telephone	2.22	310.15
7/15/2006	Marathon	Telephone	12.66	322.81
8/15/2006	WTI	Telephone	8.38	331.19
9/15/2006	WTI	Telephone	5.93	337.12
10/21/2006	WTI	Telephone	9.84	346.96
Total Telephone			346.96	346.96
Travel,airfare,taxi,hotel,park				
8/27/2003	Expedia Travel	Lodging	63.28	63.28
8/27/2003	Expedia Travel	Lodging	319.68	382.96
8/27/2003	Alaska Air	Airfare	347.75	730.71
8/27/2003	Alaska Air	Airfare	4.75	735.46
9/9/2003	TGI Fridays	Client lunch during deposition	19.21	754.67
9/10/2003	Jerry's Famous ...	Client lunch during deposition	15.36	770.03
9/11/2003	TGI Fridays	Client lunch during deposition	17.06	787.09
9/12/2003	Ralphs	Client lunch during deposition	23.63	810.72
9/13/2003	Hertz	Car rental	164.19	974.91
9/13/2003	Gas	Gas	21.17	996.08
9/13/2003	Sea Tac U Save	Parking	16.73	1,012.81
9/13/2003	Full of Life Villa...	Meal	14.07	1,026.88
9/15/2003	Arco	Gas	21.52	1,048.40
10/10/2005	Alaska Air	Airfare	349.90	1,398.30
10/18/2005	Alaska Air	Chg fee	50.00	1,448.30
10/18/2005	Alaska Air	price dif	68.00	1,516.30
10/25/2005	McDonalds	Meal	3.76	1,520.06
10/26/2005	Royal Khyber	Meal	32.90	1,552.96
10/26/2005	Ace Parking	Parking	15.00	1,567.96
10/27/2005	Seatac Park	Parking	23.74	1,591.70
10/27/2005	Ace Parking	Parking	15.00	1,606.70
10/27/2005	Best Western	Lodging	169.80	1,776.50
10/27/2005	Mobil	Gas	5.24	1,781.74
10/27/2005	Fox Rent a Car	Car rental	59.26	1,841.00
Total Travel,airfare,taxi,hotel,park			1,841.00	1,841.00
TOTAL			37,797.37	37,797.37